



September 9, 2016

Monique E. Smith, Chief Financial Examiner
North Carolina Department of Insurance
Financial Examination Section
Financial Evaluation Division
1201 Mail Service Center
Raleigh, NC 27699-1201

Re: Summit Trust Company
North Carolina Mutual Life Insurance Company

Dear Ms. Smith:

My name is Ricardo J. Zayas. In November 2015 the United States District Court for the Eastern District of Pennsylvania entered an order ("Order") appointing me as Receiver for Summit Trust Company, Inc. ("Summit"). I am communicating with you in that capacity. A copy of the Order and the civil complaint ("Complaint") that precipitated the entry of the Order can be viewed at www.summittrust.com on the "About Us" tab under "What's New."

Summit and I are in receipt of your certified letter dated August 18, 2016 requesting certain information be provided to the Chief Financial Examiner, North Carolina Department of Insurance. Under the aforementioned Order, I was given broad authority to conduct the operations of Summit and take custody, control and possession of all Receivership Property including business records. Summit continues to exist and operate as an entity albeit under my supervision.

This correspondence and the information contained herein is submitted in my capacity as Receiver for Summit. I have no personal knowledge of any interaction between Summit and North Carolina Mutual Life Insurance Company or the Port Royal North Carolina Mutual Reassurance Trust. That said, as Receiver, and in an effort to comply with your request, I made inquiries of persons currently associated with Summit. These persons provided the following information in response to my inquiries.

- Summit is a Nevada chartered trust company which provides administrative and custodial services to multiple trust account clients. This includes IRA's and other trust accounts.
- As custodian, Summit does not serve in a fiduciary capacity, provide investment advice or services. Investment advice and similar services are provided by the client or the client's independent financial advisor.
- Summit is not a Broker/Dealer. It does not have the authority, the systems, or capability to track dates, length of investment, fluctuating interest rates, expected timing of interest payments or timing issues. Summit relies on the reporting of the client's financial advisor.



- On or about April 29, 2015 Summit opened three custodial accounts for the Port Royal North Carolina Mutual Reassurance Trust. These accounts are numbered [REDACTED], [REDACTED] and [REDACTED] (see Attachment A through C). These accounts remain open in Summit's files at this writing.
- Copies of current account statements are attached hereto. These statements were system generated and reflect investment and asset information as recorded by the Revzon Consulting Group.¹ The statements present information including the account name and number, a description of assets held within the account, the acquisition cost and the market value, if updated by the investment advisor and other responsive information.

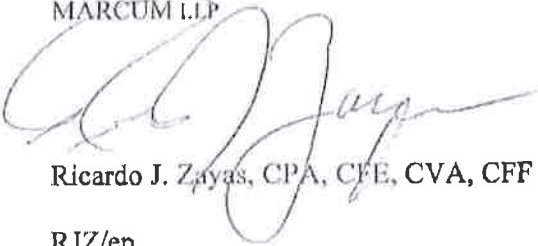
Please note, the account statements included herein, show various investments. At this time, Summit is not aware of the extent to which, if any, these investments have been pledged or otherwise encumbered, but reserves the right to change this position in the event that further investigation and/or review of the accounts and any related documentation may indicate otherwise.

As stated, I do not have personal knowledge of the relationship / interaction between Summit and the subject entities. I do have ongoing access to Summit business records and will work with you to provide additional information, as needed.

If you require additional information you may contact me at 215-297-2320 or Nicole Donecker at 215-297-2314.

Sincerely,

MARCUM LLP



Ricardo J. Zayas, CPA, CFE, CVA, CFF

RJZ/ep
Enclosure

cc: Michael Lawrence, President and CEO - North Carolina Mutual Life Insurance Company

¹ Revzon Consulting Group (RCG) provides back-office support services to Summit. RCG was made aware of this inquiry and asked to provide responsive information.

ATTACHMENTS

ATTACHMENT A



For the Account of:

Account Number: [REDACTED]

Summit Trust Company As Custodian Of
The Port Royal North Carolina Mutual
Reassurance Trust Custody
From 8/16/2016 To 9/8/2016

Asset Allocation

	Market Value	% Portfolio
Cash & Equivalents	\$1,087,343.75	4.51 %
Other	\$23,000,000.00	95.49 %
Total Assets	\$24,087,343.75	100.00 %



Activity Summary

	Cost Value	Market Value
Previous Statement Balance	\$24,091,000.00	\$24,091,000.00
Realized Gains	\$0.00	
Other Activity	(\$3,656.25)	(\$3,656.25)
Net Portfolio Change		\$0.00
Ending Balance	\$24,087,343.75	\$24,087,343.75

* All or part of value is unknown.

Page 1 of 3



For the Account of:

Account Number: [REDACTED]

Summit Trust Company As Custodian Of
The Port Royal North Carolina Mutual
Reassurance Trust Custody
From 8/16/2016 To 9/8/2016

Statement of Assets

Symbol	Asset Description	Units/Shares or Face Value	Unit Price	Total Cost	Market Value
500	Money Market Funds				
FED POP	Federated Prime Obligations CL SS #396	1,087,343.7500	\$1.00	\$1,087,343.75	\$1,087,343.75
			Total:	\$1,087,343.75	\$1,087,343.75
640	Loans & Notes Receivable				
PETRA	Petra Bank America	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
JazzCredit	Jazz/Credit Suisse	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
Jeffries	Jeffries/Petra	1.0000	\$0.00	\$500,000.00	\$500,000.00
AFG	AFG	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
Sully	Sully	1.0000	\$0.00	\$500,000.00	\$500,000.00
Banjo	Banjo	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
Delta	Delta	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
Sprintship	Sprintship	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
West25thSt	West 25th Street LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
Halabridge	Halabridge 154 Spring LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
LALLC	103-113 3rd St. LA LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
ParkAveLLC	Park Ave Park Ave LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
HiltonTowe	Hilton Tower LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
WeMember	We Member LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
WeWorkLLC	We Work LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
WabashLLC	Wabash LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
CoconutBch	Coconut Beach LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
8015thBrdy	801 South Broadway LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
WBSHTWR	WBSH Mel Tower LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
BroadLLC	2307 Broadway LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
SpringBrdg	Spring Bridge 182	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
East14th	East 14th Investor LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
JSBerrySt	JS Berry Street LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
WB41Mercer	WB 41 Mercer LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
			Total:	\$23,000,000.00	\$23,000,000.00
Cash	Cash			\$0.00	\$0.00
Grand Total				\$24,087,343.75	\$24,087,343.75

* All or part of value is unknown.

Page 2 of 3



For the Account of:

Account Number: [REDACTED]

Summit Trust Company As Custodian Of
The Port Royal North Carolina Mutual
Reassurance Trust Custody
From 8/16/2016 To 9/8/2016

Statement of Transactions

Date	Transaction Description	Units	Cash Change	Investment Change
	Payee			
TRANSFER				
8/26/2016	TRANSFER to 1037036	0.0000	(\$3,656.25)	\$0.00
			(\$3,656.25)	\$0.00
TOTAL SWEEP PURCHASES			(\$1,091,000.00)	\$1,091,000.00
TOTAL SWEEP SALES			\$3,656.25	(\$3,656.25)
			(\$1,091,000.00)	\$1,087,343.75

* All or part of value is unknown.

Page 3 of 3

ATTACHMENT B



For the Account of:
Account Number: [REDACTED]

Summit Trust Company As Custodian Of
The Port Royal NC Mutual Reassurance
Trust Custody
From 8/16/2016 To 9/8/2016

Asset Allocation

	Market Value	% Portfolio
Other	\$9,750,000.00	100.00 %
Cash	\$0.00	0.00 %
Total Assets	\$9,750,000.00	100.00 %



Other

Activity Summary

	Cost Value	Market Value
Previous Statement Balance	\$9,746,343.75	\$9,746,343.75
Other Activity	\$3,656.25	\$3,656.25
Net Portfolio Change		\$0.00
Ending Balance	\$9,750,000.00	\$9,750,000.00

* All or part of value is unknown.



For the Account of:

Account Number: [REDACTED]

Summit Trust Company As Custodian Of
The Port Royal NC Mutual Reassurance
Trust Custody
From 8/16/2016 To 9/8/2016

Statement of Assets

Symbol	Asset Description	Units/Shares or Face Value	Unit Price	Total Cost	Market Value
641 Secured Notes					
FFTK9	Orange Espagne SA	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
Syracuse	Syracuses Property Holdings LLC	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
FOREFTG12	Tata Communication Note #2 due 7/31/2016	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
FOREFTG12A	Verizon UK Note #2A due 7/31/2016	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
FOREFTG13	France Telecom Espana, S.A. U Orange Note #3 due 8/31/2016	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
FOREFTG14	Verizon Espana Note #4 due 9/8/2016	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
FOREFTG14A	British Telecom Note #4A due 9/8/2016	1.0000	\$0.00	\$500,000.00	\$500,000.00
FOREFTG15	KDDI, Europe Note #5 due 9/11/2016	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
FOREFTG15A	Verizon Netherlands Note #5A due 9/11/2016	1.0000	\$0.00	\$500,000.00	\$500,000.00
FOREFTG16	Vodafone U.K. Note #6 due 9/18/2016	1.0000	\$0.00	\$300,000.00	\$300,000.00
FOREFTG17	SRL Colt (Italy) Note #7 due 9/29/2016	1.0000	\$0.00	\$450,000.00	\$450,000.00
FOREFTG18	Telecom Italia SPA Note #8 due 9/31/2016	1.0000	\$0.00	\$1,000,000.00	\$1,000,000.00
Total:				\$9,750,000.00	\$9,750,000.00
Cash					
	Cash			\$0.00	\$0.00
Grand Total				\$9,750,000.00	\$9,750,000.00



For the Account of:

Account Number: [REDACTED]

Summit Trust Company As Custodian Of
The Port Royal NC Mutual Reassurance
Trust Custody
From 8/16/2016 To 9/8/2016

Statement of Transactions

Date	Transaction Description	Units	Cash Change	Investment Change
	Payee			
TRANSFER				
8/26/2016	TRANSFER from 103703A	0.0000	\$3,656.25	\$0.00
			\$3,656.25	\$0.00
TRANSFER PRINCIPAL CASH TO				
8/26/2016	TRANSFER PRINCIPAL CASH TO	0.0000	\$0.00	\$0.00
8/26/2016	TRANSFER PRINCIPAL CASH TO Federated Prime Obligations CL SS #398	0.0000	\$0.00	\$0.00
			\$0.00	\$0.00
			\$3,656.25	\$0.00

* All or part of value is unknown.

Page 3 of 3

ATTACHMENT C



For the Account of:

Account Number: [REDACTED]

Summit Trust Company As Custodian Of
The Port Royal NC Mutual Reassurance
Trust Custody
From 8/16/2016 To 9/8/2016

Asset Allocation

	Market Value	% Portfolio
Cash & Equivalents	\$12,809.96	1.77 %
Other	\$700,000.00	98.23 %
Total Assets	\$712,809.96	100.00 %

Activity Summary

	Cost Value	Market Value
Previous Statement Balance	\$712,809.96	\$712,809.96
Net Portfolio Change		\$0.00
Ending Balance	\$712,809.96	\$712,809.96

* All or part of value is unknown

Page 1 of 3



For the Account of:
Account Number: [REDACTED]

Summit Trust Company As Custodian Of
The Port Royal NC Mutual Reassurance
Trust Custody
From 8/16/2016 To 8/8/2016

Statement of Assets

Symbol	Asset Description	Units/Shares or Face Value	Unit Price	Total Cost	Market Value
500 Money Market Funds					
FED POP	Federated Prime Obligations CL SS #396	12,609.9600	\$1.00	\$12,609.96	\$12,609.96
			Total:	\$12,609.96	\$12,609.96
640 Loans & Notes Receivable					
TalkingCap	Talking Capital, LLC Quarterly Interest 10%	1.0000	\$0.00	\$700,000.00	\$700,000.00
			Total:	\$700,000.00	\$700,000.00
Cash					
	Cash			\$0.00	\$0.00
Grand Total				\$712,609.96	\$712,609.96

* All or part of value is unknown.

